

Message Text

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SUBJECT: SHANGHAI JOURNAL CRITIZES MACHINERY AND TECHNOLOGY
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REF: HK A-44, HK 1778

SUMMARY: A REVIEW OF THE MOVIE "FIERY YEARS" CARRIED IN FEBRUARY'S STUDY AND CRITICISM CONTAINS A HARSHLY WORDED BUT CLEAR EXPOSITION OF OPPOSING ARGUMENTS IN THE CURRENT PRC INTERNAL DEBATE OVER IMPORTS OF MACHINERY AND TECHNOLOGY. BASED ON THE JOURNAL'S STATEMENT, THE BASIC DISAGREEMENT WOULD APPEAR TO BE OVER THE PROPER LEVEL OF IMPORTS AND NOT WHETHER CHINA SHOULD CONTINUE TO PURCHASE MACHINERY AND TECHNOLOGY FROM THE WEST. WHILE THERE IS LITTLE EVIDENCE THAT THE DEBATE HAS EFFECTED PRC TRADE PRACTICES, ITS CONTINUATION MAY INTIMIDATE PRC TRADE OFFICIALS MAKING THEM LESS WILLING TO DEAL WITH THE WEST. END SUMMARY

1. A REVIEW OF THE MOVIE "FIERY YEARS" CARRIED IN FEBRUARY'S STUDY AND CRITICISM CONTAINS A CLEAR EXPOSITION OF OPPOSING
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ARGUEMENTS IN THE

CURRENT PRC INTERNAL DEBATE OVER IMPORTS OF MECHINERY AND TECHNOLOGY. IT ALSO CRITIZES THOSE WHO ADVOCATE SUCH IMPORTS IN HARSHER TERMS THAN USED IN THE PEOPLES DAILY'S REVIEW (HK A-44) OR THE JOURNAL'S JANUARY REVIEW OF THE FILMS' STAGE VERSION "BIG CURRENT IN STEEL AND IRON" (HK 1778). THE LANGUAGE IS FAR STRONGER THAN WAS USED IN THE JANUARY RED FLAG ARTICLE ON FOREIGN TRADE AND SELF-RELIANCE (ER 2, HK 865).

2. IN CRITICIZING THE CHARACTER OF THE FACTORY MANAGER WHO ADVOCATES RELIANCE ON IMPORTS, THE REVIEW TYPES HIM AS A REPRESENTATIVE OF A CLASS OF CHINESE WHO ALWAYS "KOWTOWED TO THE WEST." IT IS NAIVE, THE JOURNAL SAYS, TO BELIEVE THAT SUCH PEOPLE COULD BE ELIMINATED BY ONE CULTURAL REVOLUTION.

3. THE REVIEW THEN CONTINUES: "IS THERE NOT A 'BIG IMPORT WIND' AGAIN BEING BLOWN BY SOME PEOPLE? WHATEVER IS FOREIGN IS GOOD, AND SHOULD THUS BE IMPORTED; THEIR APPETITE IS GETTING BIGGER AND BIGGER. THEY BECOME VERY MEERY WHEN TALKING ABOUT IMPORTS, AND EVEN REGARD OBSOLETE ROTTEN GOODS AS SOMETHING PRECIOUS. IN THE SLAVE VIEW OF THESE OUT AND OUT SPENDTHRIFTS, NOT A SECOND GLANCE IS GIVEN TO THE CREATIONS OF THE CHINESE WORKING CLASS, OR THEY DRAWL OUT THE SENTENCE 'NEW BORN THINGS - OH REALLY*' IF YOU CRITICIZE THEIR FOREIGN SLAVE MENTALITY, THEY TRY TO BRAND YOU AS AN 'ISOLATIONIST', TRYING TO MAKE IT APPEAR THAT WHAT WE ARE OPPOSING IS ESSENTIAL IMPORTS RATHER THAN THEIR IDEOLOGICAL LINE OF 'SUPERSTITIOUSLY WORSHIPPING EVERYTHING FOREIGN'".

4. IF THE INVECTIVE IS CLEARED AWAY, THE BASIC DISAGREEMENT WOULD APPEAR TO BE OVER THE PROPER LEVEL OF IMPORTS AND NOT WHETHER CHINA SHOULD CONTINUE TO PURCHASE MACHINERY AND TECHNOLOGY FROM THE WEST. ALSO AT ISSUE IS THE QUESTION OF HOW MUCH CHINA SHOULD RELY ON "WORKERS INOVATIONS" AS A SLOWER, BUT MORE IDEOLOGICALLY PURE PATH TO TECHNOLOGICAL PROGRESS. SHOULD THE ADVOCATES OF SELF-RELIANCE SUCCEED, THE RESULT WOULD PROBABLY BE A REDUCTION IN THE RATE OF COMPLETE PLANT AND MACHINERY PURCHASES, BUT NOT A TOTAL CURTAILMENT.

5. THE REVIEW'S USE OF SHARPER LANGUAGE IN COMPARISON TO THE JOURNAL'S JANUARY PIECE MAY SIGNAL A RISING INTENSITY IN THE DEBATE AND A STIFFENING OF THE OPPOSITION. THOSE WHO LABEL THEIR LIMITED OFFICIAL USE

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CRITICS AS "ISOLATIONISTS" MUST STILL FEEL STRONG ENOUGH TO DEFEND THEIR POLICIES. IF IT IS ALSO TRUE THAT "WORKERS INOVATIONS" HAVE BEEN DEGRADED BY MANAGERS (AND PRESUMABLY HIGHER-UPS), THE INCREASED FRUSTRATION AND RISING IRE OF WORKERS AND MORE SENIOR SUPPORTERS OF SELF-RELIANE COULD ACCOUNT FOR THE INCREASINGLY SHRILL TONE OF THESE ARTICLES.

6. WHILE IT IS DIFFICULT TO MAKE JUDGMENTS ON THE LIMITED INFOR-

MATION AVAILABLE, CHINA'S PURCHASES OF COMPLETE PLANT AND MACHINERY IN FIRST QUARTER 1974 APPEAR SIMILAR TO THE SAME PERIOD IN 1973. FOR EXAMPLE, PEKING HAS SIGNED CONTRACTS FOR AT LEAST 10 PLANTS WORTH AN ESTIMATED \$206 MILLION IN 1974. THIS COMPARES WITH 9 PLANTS WORTH \$184 MILLION FOR THE SAME PERIOD LAST YEAR. PEKING HAS ALSO SIGNED A NEW CONTRACT FOR COAL MINING (\$7 MILLION) WITH TWO WEST GERMAN FIRMS (REUTERS OBERHAUSEN 3/21/74) DESPITE RECENT CRITICISM OF SUCH IMPORTS BY FACTORY WORKERS IN CHINA (HK 3092).

7. IF TRACED BACK TO THE JANUARY ISSUES OF RED FLAG AND STUDY AND CRITICISM PUBLIC DEBATE OVER MACHINERY IMPORTS HAS CONTINUED FOR ALMOST THREE MONTHS WITH LITTLE EVIDENCE THAT IT HAS ACTUALLY AFFECTED PRC TRADE PRACTICES. THE LONGER THE DEBATE GOES ON, HOWEVER, THE GREATER THE CHANCES THAT CHINESE TRADE OFFICIALS MAY BECOME INTIMIDATED AND TRADE WITH THE WEST SUFFER AS A RESULT.
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